

Message Text

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ACTION EB-08

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FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 1326

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E.O. 11652: N/A
TAGS: ESTC, SF
SUBJECT: CGS THERMODYNAMICS PTY., LTD.

REF: STATE 115922

1. EMBOFF CALLED ON KLEYN MAY 30. AT KLEYN'S REQUEST MRS. MARA KRUGER SAT IN ON MEETING. KLEYN STATED THAT SALE OF CGS THERMODYNAMICS TO HIMSELF, MRS. KRUGER AND UNNAMED THIRD PARTY IN SOUTH AFRICA HAS BEEN COMPLETED AND CGS SCIENTIFIC CORP. (U.S.) NO LONGER HAS ANY INTEREST IN COMPANY.

2. WHILE RELUCTANT TO VOLUNTEER INFORMATION, KLEYN TOOK POSITION THAT HE UNDERTOOK TO PURCHASE THE SEMI CONDUCTOR EQUIPMENT AS FAVOR TO INDIVIDUAL WHO WAS NEGOTIATING TO PURCHASE CGS THERMODYNAMICS. EMBOFF USED JAGAU'S NAME AS THIS INDIVIDUAL AND KLEYN TACITLY ACCEPTED IT. KLEYN STATED HE WAS NOT AWARE OF STRATEGIC IMPORTANCE OF EQUIPMENT AND FELT HE HAD BEEN DECEIVED BY JAGAU IN THE ENTIRE TRANSACTION. KLEYN STATED HE HAD NO KNOWLEDGE OF WHEREABOUTS OF EQUIPMENT AS IT HAD LEFT HIS POSSESSION SHORTLY AFTER ARRIVAL.

3. AS REGARDS ROLE OF CGS SCIENTIFIC (U.S.) AND GOLDFIELD, KLEYN STATED THAT HE HAD INFORMED GOLDFIELD THAT HE
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(KLEYN) WANTED TO PURCHASE SOME U.S. ELECTRONICS EQUIPMENT AS A FAVOR TO ANOTHER FIRM AND OUTSIDE NORMAL COMPANY CHANNELS. HOWEVER, ACCORDING TO KLEYN, GOLDFIELD WAS NOT AWARE OF SPECIFIC NATURE OF EQUIPMENT, END-USER, OR SIZE OF ORDER. KLEYN PROVIDED GOLDFIELD WITH LIST OF U.S. FIRMS WHICH KLEYN PLANNED TO CONTACT RE ORDER, BUT KLEYN STATED THAT CONTACTS AND ORDERS WERE MADE BY

CGS THERMODYNAMICS NOT BY CGS (U.S.). GOLDFIELD WAS, ACCORDING TO KLEYN, QUITE UPSET WHEN HE DISCOVERED SIZE AND NATURE OF ORDER WELL AFTER IT HAD ARRIVED IN SOUTH AFRICA.

4. KLEYN STATED HE WAS WILLING TO MAKE A SWORN STATEMENT ON ROLE OF CGS SCIENTIFIC AND GOLDFIELD IN TRANSACTION. HE WAS, HOWEVER, RELUCTANT TO MAKE SUCH A STATEMENT WITH REGARD TO OVERALL TRANSACTION AS HE FEARED COMPANY AND ITS EMPLOYEES WOULD SUFFER. KLEYN STATED COMPANY WAS VERY INTERESTED IN RETAINING U.S. EXPORT PRIVILEGES. HE HAD BEEN CGS OFFICIAL RESPONSIBLE FOR TRANSACTION AND, IF NECESSARY, HE WAS PREPARED TO RESIGN FROM COMPANY TO PROTECT IT.

5. IN VIEW SIMILARITY OF KLEYN'S AND GOLDFIELD'S STATEMENTS, EMBASSY IS UNCERTAIN THAT SWORN STATEMENT BY KLEYN RE ROLE OF CGS (U.S.) WILL ASSIST IN CASE, BUT WE WILL ENDEAVOR TO OBTAIN ONE IF DEPARTMENT DESIRES.
EDMONDSON

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NNN

Message Attributes

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Control Number: n/a
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Draft Date: 02 jun 1978
Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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